

Montana State Legislature

2015 SESSION

ADDITIONAL DOCUMENTS

Business Page

[Signed by Chairman]

Roll Call

Standing Committee Reports

Tabled Bills

Fiscal Reports

Rolls Call Votes

Proxy Forms

Visitor Registrations

***Any other documents, which were submitted after the committee hearing has ended and/or was submitted late [within 48 hours], regarding information in the committee hearing.**

***Witness Statements that were not presented as exhibits.**

Montana Historical Society Archives

225 N. Roberts

Helena MT 59620-1201

2015 Legislative

E-Document Specialist Susie Hamilton

BUSINESS REPORT

**MONTANA HOUSE OF REPRESENTATIVES
64th LEGISLATURE - REGULAR SESSION**

HOUSE APPROPRIATIONS COMMITTEE

Date: Friday, February 6, 2015
Place: Capitol

Time: 3:00 PM
Room: 102

BILLS and RESOLUTIONS HEARD:

HB 120 - Remove sunset on the big sky on the big screen act - Rep. Kathleen Williams
HB 145 - Revise laws related to livestock loss - Rep. Mike Cuffe
HB 146 - Revise distribution of block management funding - Rep. Kelly Flynn
HB 155 - Provide for the development of a digital archives plan - Rep. Moffie Funk

EXECUTIVE ACTION TAKEN:

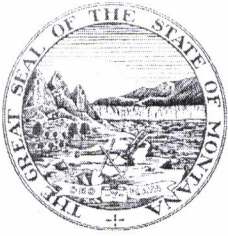
None

Comments:

None

 2/6/15

REP. Nancy Ballance, Chair



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

Feb. 6, 2015

| NAME | PRESENT | ABSENT/EXCUSED |
|---|---------|----------------|
| REP. RANDY BRODEHL | ✓ | |
| REP. KELLY MCCARTHY | ✓ | |
| REP. TOM WOODS | ✓ | |
| REP. CARL GLIMM | ✓ | |
| REP. DAVE HAGSTROM | ✓ | |
| REP. BOB MEHLHOFF | ✓ | |
| REP. TOM BURNETT | ✓ | |
| REP. DONALD JONES | ✓ | |
| REP. MITCH TROPILA | ✓ | |
| REP. JANET ELLIS | ✓ | |
| REP. ROY HOLLANDSWORTH | | ✓ |
| REP. RON EHLI | ✓ | |
| REP. BRAD TSCHIDA | ✓ | |
| REP. RAE PEPPERS | | ✓ |
| REP. KIMBERLY DUDIK | ✓ | |
| REP. KENNETH HOLMLUND | ✓ | |
| REP. MIKE CUFFE | ✓ | |
| REP. PAT NOONAN , MIN. VICE CHAIRMAN | ✓ | |
| REP. RYAN OSMUNDSON , MAJ. VICE CHAIRMAN | | ✓ |
| REP. NANCY BALLANCE , CHAIR | ✓ | |

20 MEMBERS

**MONTANA House of Representatives
Visitors Register
HOUSE APPROPRIATIONS COMMITTEE**

Friday, February 6, 2015

HB 120 - Remove sunset on the big sky on the big screen act

Sponsor: Rep. Kathleen Williams

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

**MONTANA House of Representatives
Visitors Register
HOUSE APPROPRIATIONS COMMITTEE**

Friday, February 6, 2015

HB 145 - Revise laws related to livestock loss

Sponsor: Rep. Mike Cuffe

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

**MONTANA House of Representatives
Visitors Register
HOUSE APPROPRIATIONS COMMITTEE**

Friday, February 6, 2015

HB 146 - Revise distribution of block management funding

Sponsor: **Rep. Kelly Flynn**

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

**MONTANA House of Representatives
Visitors Register
HOUSE APPROPRIATIONS COMMITTEE**

Friday, February 6, 2015

HB 155 - Provide for the development of a digital archives plan

Sponsor: Rep. Moffie Funk

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

ADDITIONAL DOCUMENTS

ADDITIONAL DOCUMENTS

Incentives State by State

| STATE | CREATED | TYPE | CREDIT | LABOR | SPEND | MIN SPEND | ANNUAL CAP | PROJECT CAP | SUNSET | NOTES |
|----------------|---------|--------|--------|-------|-------|-----------|------------|---------------|--------|--|
| Alabama | 2009 | Credit | | 35% | 25% | 500k | 15M | None | n/a | 6% for rural work, 2% for seasonal |
| Alaska | 2008 | Credit | | 20% | 30% | 75k | 200k | None | 2023 | Commerical licensees must spend >\$50K |
| Albera | | Grant | 25% | | | see notes | None | 5mm | NA | |
| Arizona | | | | | | | | | | |
| Arkansas | 2009 | Rebate | | 10% | 20% | 200k | None | None | 2019 | |
| California | 2009 | Credit | 20% | | | 1M | 100M | None | 2017 | 25% for series that filmed elsewhere before |
| Colorado | 2005 | Rebate | 20% | | | 1M | 5M | None | n/a | |
| Connecticut | 2006 | Credit | 30% | | | 1M | None | None | n/a | Smaller credits available for lower budgets |
| Delaware | | | | | | | | | | |
| D.C. | 2009 | Rebate | 21% | 30% | 40% | | | | | Spend credit changes based on taxable status of purchase |
| Florida | 2004 | Credit | 20% | | | 625k | n/a | 8M | 2016 | Program cap 265M (Through 2016) |
| Georgia | 2005 | Credit | 20% | | | 500k | None | None | | Add'l 10% offered for GA credit/placement |
| Hawaii | 1997 | Credit | 25% | | | 200k | None | 15M | 2018 | 20% on Oahu |
| Idaho | | | | | | | | | | |
| Illinois | 2008 | Credit | | 30% | 30% | 100k | None | None | 2021 | |
| Indiana | | | | | | | | | | |
| Iowa | | | | | | | | | | |
| Kansas | | | | | | | | | | |
| Kentucky | 2008 | Credit | | 20% | 20% | 500k | None | None | 2014 | Add'l 5% on resident payroll (first \$1M) |
| Louisiana | 1992 | Credit | 30% | | | 300k | None | None | | |
| Maine | 2006 | Rebate | | 5% | 12% | 75k | None | None | | |
| Maryland | 2008 | Credit | 25% | | | 500k | 7.5M | None | | 50% of PP in MD/25M cap for FY14, \$7.5M thereafter |
| Massachusetts | 2006 | Credit | 25% | | | 50k | None | None | 2022 | 50% of PP in MA or 50% of production expenditures to be eligible |
| Michigan | 2008 | Rebate | 42% | 27% | 32% | 100k | 50M | None | | |
| Minnesota | 2002 | Rebate | 20% | | | 100k | 10M | 5M | | \$5m per project cap/25% available for spend over \$1m |
| Mississippi | 2004 | Rebate | | 25% | 30% | 50k | 20M | 10M | | |
| Missouri | | | | | | | | | | |
| Montana | 2005 | Credit | | 14% | 9% | | None | None | | |
| Nebraska | | | | | | | | | | |
| Nevada | 2013 | Credit | 15% | | | 500k | 20M | 6M | 2023 | |
| New Hampshire | | | | | | | | | | |
| New Jersey | 2005 | Credit | 20% | | | | 10M | None | | |
| New Mexico | 2002 | Credit | 25% | | | 0 | 50M | None | | Add'l 5% available to qualified TV series |
| New York | 2007 | Credit | 30% | | | | n/a | None | 2019 | Program Cap 420M (through 2019) |
| North Carolina | 2006 | Credit | 25% | | | 250k | None | 20M | 2014 | |
| North Dakota | | | | | | | | | | |
| Ohio | 2009 | Credit | | 25% | 35% | 300k | 20M | 5M | | |
| Oklahoma | 2005 | Rebate | 35% | | | 25k | 5M | None | | |
| Oregon | 2005 | Rebate | | 10% | 20% | 750k | 6M | None | 2017 | |
| Pennsylvania | 2004 | Credit | 25% | | | | n/a | 12M | n/a | Program Cap 60M (through 2016) |
| Puerto Rico | 1999 | Credit | 40% | | | 100k | 50M | None | 2018 | 50% PP in PR/20% non-resident labor credit |
| Rhode Island | 2005 | Credit | 25% | | | 100k | 15M | 5M | 2019 | |
| South Carolina | 2004 | Rebate | | 30% | 20% | 1M | 5.5M | None | | Add'l 5% for SC resident labor/Unused funds roll over |
| South Dakota | | | | | | | | | | |
| Tennessee | 2006 | Grant | 25% | | | 200k | 2M | None | | |
| Texas | 2009 | Grant | 20% | | | 250k | n/a | None | 2015 | Program Cap 95M (through 2015) |
| Utah | 2005 | Credit | 20% | | | 1M | 6.7M | None | 2014 | (Program reviewed every 5 years) |
| Vermont | | | | | | | | | | |
| Virginia | 2001 | Credit | 20% | | | 250k | 5M | Discretionary | n/a | Cap on Biennium/Grant available |
| Washington | 2006 | Rebate | 30% | | | 500k | 3.5M | None | 2017 | Add'l 5% for TV series with 6+ episodes |
| West Virginia | 2007 | Credit | 27% | | | 25k | 5M | None | n/a | |
| Wisconsin | | | | | | | | | | |
| Wyoming | 2007 | Rebate | 15% | | | 200k | 900k | None | 2016 | |

Major Competitors

No Incentive Program

Grover, Katya

From: Bozeman Film Society <lisa@bozemanfilmsociety.org>
Sent: Thursday, February 05, 2015 12:01 PM
To: Grover, Katya
Subject: HB 120 Testimony

Dear Representatives,

Please support HB 120- Big Sky on the Big Screen Act and consider all the ways that continuing to attract film productions to the incredible state of Montana benefits our state, individual communities and film industry workers. It's vital for Montana to stay competitive with other States, such as Louisiana, in creating a financial incentive for outside film projects to produce projects here. The bottom line is that the dollars they pour into our economy far outweigh the tax credits and other breaks that their productions receive. The exposure that these projects bring to Montana is immeasurable when considering their effects on tourism. For example: even years later, Montana tourism is benefitting from the filming of "A River Runs Through It."

I support HB120 and continued film incentives for the State of Montana!

Thank you,

Lisa McGrory
Executive Director
Bozeman Film Society

Grover, Katya

From: Brian Whitlock <brianwhitlocksound@gmail.com>
Sent: Thursday, February 05, 2015 11:44 AM
To: Grover, Katya
Subject: HB 120 Testimony

Testimony Supporting HB 120

I'm a Bozeman resident and full-time sound mixer for film and television. I have worked in the industry for 18 years and lived in Bozeman for 9 years. I have won two Primetime Emmys for sound mixing and worked for every major cable and network TV channel. My job has taken me to over 80 countries, but I always come home to Bozeman.

In 2014, I grossed \$120,000 mixing sound for TV. The vast majority of that money was made working overseas. I bring that money home and pay property taxes, buy groceries and support local charities.

In short, I'm a small-scale example of the Film Incentive Program. In my case, the incentive is clean air, wilderness and a sense of community.

Before you is a bill that can encourage this sort of outside investment on a grand scale. The film and television industry is like a herd of mule deer. They graze on the best range and operate on a herd mentality. Where the forage is good, they accumulate over time.

Right now, Alaska and Louisiana have two of the best film incentive programs. They have seen their production activity skyrocket in recent years.

In Louisiana, we see productions from History Channel's "Swamp People" to HBO's acclaimed "True Detective". Over time, as productions saw successful shows coming out of Louisiana, they all piled on.

Alaska is an even bigger film incentive success story. Here is a list of TV shows currently made in Alaska, just on Discovery Network alone:

Deadliest Catch
Bering Sea Gold
Gold Rush
Alaskan Bush People
Edge of Alaska
Buying Alaska
Alaska: Battle on the Bay
Wild West Alaska

These incentives build momentum over time and reach a critical mass, where the incentive is an excuse to find stories and make shows. Montana is a culturally and geographically distinctive place, waiting to be discovered by film and television productions.

Montana's Incentive Program will also discourage "Montana Stories" from being filmed elsewhere and stop future tragedies like, "Legends Of The Fall". This blockbuster movie was written in Montana, by a Montana resident, with the entire story taking place in Montana. Yet Canada's film incentive program stole this

opportunity from us, fair and square. The entire movie was instead shot in British Columbia and Alberta. This unfortunate situation has happened countless times.

And finally, on a more selfish note, I would like to work near home. For almost two decades, I have worked overseas half of the year. I'm getting older and would love to work more in Montana. I also see friends and colleagues -- talented young film industry professionals -- moving out of Montana for better opportunities.

Let's keep our homegrown film industry at home and stop the film crew diaspora to Los Angeles and New York. With more opportunities here, we can keep talented people in the State. Montana films should be made by Montanans, not a bunch of California desk jockeys who can't walk in the woods and don't own a winter coat.

Thank you for your time and consideration.

Brian Whitlock

Bozeman, MT

<http://www.imdb.com/name/nm1038752>

Grover, Katya

From: Joanne Gardner <joannegardnermt@gmail.com>
Sent: Thursday, February 05, 2015 10:01 AM
To: Grover, Katya
Subject: HB 120 Testimony

I fell in love with Montana twenty years before I ever moved here. And it's because I saw Montana on the big screen. I saw the amazing Big Sky and the mountains, the impossibly beautiful rivers and I wanted to be there. I have made my living in the film business, in Nashville, New York and Los Angeles. And I moved here in 2004. Since my arrival, several producer friends have called eager for the Montana experience. Your funding and approval of this bill keeps the magic and beauty of our state in front of the world. Please support this important initiative.

Joanne Gardner
Former SR VP of Music Video Production, Sony Music
Current happy resident of Livingston

--
Joanne Gardner
406/599-1075 mobile

Grover, Katya

From: jim <jimoutcold@bresnan.net>
Sent: Thursday, February 05, 2015 10:19 AM
To: Grover, Katya
Subject: HB 120 Testimony

Good morning Katya,

Some believe the Big Sky on the Big Screen Act is a "gift" to Hollywood. Having been in the business, in Montana, for more than 30 years I can testify that it is not. In reality, it is an opportunity for Montana and Montanans to compete for the very clean dollars created by film and television production. 40-some states have similar incentives in place to attract film production with Montana's incentive being on the low end of the scale. Still, the Big Sky on the Big Screen Act has kept us in the game. Please think of it as returning a small percentage of MONTANA'S GAIN - in this case, "nothing offered - nothing gained".

It is fair to say that the very few states who do not have incentives really have nothing to offer filmmakers, but it is even more important to tell the story of New Mexico which offers more than double what Montana does. Susana Martinez, their Republican Governor, was set to remove the incentives when she took office. But, after careful study, she reversed herself and both retained the incentives and praised what the incentives did for her state.

I respectfully ask that you dig into the value the incentives hold for New Mexico as an example of what they had done and will continue to do for our state.

Please remember that the film FAR AND AWAY (1990) had a direct impact on the Billings area of more than \$7 million. Please support the Big Sky on the Big Screen Act.

Sincerely,

Jim Abel
Out in the Cold Productions
jimoutcold@bresnan.net
406.698.4069 Cell
406.652.1352 Office

Grover, Katya

From: Thomas Ressler <tsrspecial@aol.com>
Sent: Thursday, February 05, 2015 10:36 AM
To: Grover, Katya
Subject: HB 120 Testimony
Attachments: Movie Visual #2.jpg

To: Katya Grover
From: Tom Ressler
Re: Big Sky Big Screen Act

Hello Katya,

May I thank You first, for this opportunity to write You directly and am doing so with regard to the Big Sky Big Screen Act.

It is a logical Act that would provide a wonderful and lucrative opportunity to allow Citizens, Professionals, Amateurs, Students and Children interested in Films the open door to generate incomes, jobs, and advancing tourism to and within our own State.

The attention we all would receive within many Medias both Domestic and International would certainly spark a new appreciation for the creativity and productions being generated here in our State.

With that, many others in businesses would be attracted to our State as a result of the new presence and new opportunities Film brings to us all.

Small towns can benefit greatly as well as our larger towns and Cities. Creativity arrives when opportunities are open, all of which lead to productions created in pursuit of successes. Without opportunity there is little to no creativity, for our State to open the doors for opportunity and support would allow positive growth and a new direction leading to successes for our State to benefit greatly.

Confidentially, I have attached some Movie/Pilot Materials for you to view and of which have been developed and produced here in Montana. As a Movie/Pilot created for Major TV Network airing in the near future, we are proud to be Producing this Movie/Pilot Series based on historical life of Native Americans and Frontier Pioneers.

I feel this all can be an inspiration to others to enter into Film and Television Productions utilizing all of our supportive businesses and professionals awhile creating new opportunities for others.

Hoping for success to the Act.

In Respect,

Tom Ressler

Thomas Ressler
CREATIVE SPECIALIST
PROFESSIONAL WRITER

MEMBER

ASA American Screenwriters Association
NWSG Northwestern Screenwriters Guild

RESSLER CREATIVE
ONE NORMON LANE
WHITEHALL, MT 59759 Phone 406-287-7975 e-mail TSRspecial@aol.com

Grover, Katya

From: Larry Martin <ljmartinusa@gmail.com>
Sent: Thursday, February 05, 2015 10:45 AM
To: Grover, Katya
Subject: HB 120 Testimony

Dear House Appropriations Committee:

I'm currently in California looking for locations for a film that could easily be shot in my home state of Montana...however Montana elects to discourage filmmaking in one of our most picturesque states.

The Big Screen Act, currently in front of you, will go a long ways toward bringing this "money intensive" business back to our state. A state in dire need of good paying jobs, particularly now with The Bakken slowing as it is.

Please help us highlight Montana as "the place to make films" and more so, by literally showing the world visual images, as the place to vacation and visit.

Please, vote for the Big Screen Act.

Thanks,

Larry J. Martin

Wolfpack Productions

48 Rock Creek Road

Clinton, Montana 49825

(406) 544-8634

Grover, Katya

From: nMotionproductions@gmail.com
Sent: Thursday, February 05, 2015 10:47 AM
To: Grover, Katya
Subject: HB 120 Testimony

Dear Representative,

I travel a lot for my job as a camera man/ editor & film driver because Montana is just an infant in an industry that has grown up much faster in every direction around it: from famous Hollywood in California to Vancouver, BC which has been taking American jobs for over a decade. Slowly, but certainly with the push forward from the film incentive program, Montana is starting to get a place at the table and starting to etch itself into the minds of people not-native to this region. What those in the film industry know that may not be apparent to those outside of it is that keeping Montana in the minds of outsiders not only means that more big money will pour into the state from film and TV production but it will also mean that those who may never have thought of moving to or vacationing in Montana before suddenly will. Ten years ago when my family and I moved to the state we, like almost every one of our West coast based family, drew a blank when we thought of Montana. That's because the state had rarely been represented to us as anything but open land somewhere where it's cold. That, obviously, is not what makes Montana special. We had no idea of the cities & no idea there would be culture & education & kindness. Lastly, we had no idea exactly the beauty that we would behold. Now, as a resident, we tell others about all of these things; but in our modern visual culture there is nothing like seeing it on screen. Film and video production is unlike any other industry in its way to increase revenue in the easily measurable short term and harder to measure long term. The short term is more jobs, higher paying jobs, overall state income going up, hotels being filled, restaurants being dined, shops being shopped. The long term is an awareness of what this state has to offer to both its residents and to outsiders which result in higher tourism income, higher volume of those who desire to live here, higher awareness of the natural wonders around us (which could help create better protections against ruining it for profit), to be more competitive among the states for the attention the state needs and deserves & lastly as a source of state pride to show it exists, it matters & it's ready to move into the future and not get stuck in the baron past like so many states on hard times right now.

This system of bringing these jobs and this money into the state will NOT happen on its own. Productions are just like tourists... You get them in with good prices and they will spend more than they thought they ever would once they get here and get comfortable. If you try to gouge them right out of the gate they will run to a state that "gets it". Georgia is leading the initiative currently and is being rewarded heavily for it in new residents, millions more in revenue and the title of Hollywood of the east. No one is expecting Montana to become any kind of Hollywood, nor would many of the people want it to be. What is the goal and should be yours is that when a car company wants to sell their car to middle America we want them driving through Montana state parks. When a film set in a small quaint American town is being filmed we want it (like the film Nebraska) to proudly be set in Middle America, Montana. When a father asks his family where they would like to vacation this year we want their kids to remember that kids movie they love that showed Montana to be one of America's greatest places and vacation here. Mostly, we need to put Montana on the map and in this modern world you don't do that with a cartographer. You do that with YouTube, with Netflix, with cable TV and with theatrical films. My goal over the next 10 years is to tell someone I live in Montana and no matter where I am I don't get that awkward reaction: "Where?"

Happens to me all the time.

Please support film incentives and any measure to support this unique, highly prestigious and highly profitable industry.

Curtis Medina
406-282-1260

Sent from my iPhone

Grover, Katya

From: Todd Klassy <todd@toddklassy.com>
Sent: Thursday, February 05, 2015 11:03 AM
To: Grover, Katya; ryanosmundson@gmail.com; randybrodehl57@gmail.com; burnetthd67@gmail.com; Cuffe, Mike (Rep); Glimm, Carl (Rep); drhagstrom@reagan.com; hgrain@3drivers.net; donjonesmt@gmail.com
Subject: My HB 120 Testimony -- Invest in Montana

To Whom It May Concern,

My name is Todd Klassy and I am a professional photographer who lives in Havre, Montana. In 2014 I was named the 19th "Montana Treasured Artist" and my photos have been published by National Geographic, Montana Magazine, Sports Illustrated, People, Newsweek, American Cowboy, Western Horseman, and many other publications, newspapers, websites, and books. I am also a small businessman.

I would like to provide the following testimony to the House Appropriations Committee.

I am also a videographer and over the past few years I've had an inside look at how Montana markets itself with photography and video via various state agencies. And although I am a first believer in the free market system, I also believe HB 120, also known as the Big Sky on the Big Screen Act is vital to promote the state and its economy.

Here's why.

Either Montana can be portrayed the way California wants to see us OR it can be portrayed the way Montana and the Montana Film Office wants to see us. Three times in 2014 I was contacted by production companies wanting to use me and my photographic abilities to capture the state. One was a production company out of Sweden, another from BBC-TV in England, and a third a production company in Los Angeles. In all three instances the production companies wanted to come to Montana and portray it in what I would consider to be less-than-favorable light. They wanted to spend time producing reality-based programming with some of the cowboys and ranching families in the state. They were looking for "hicks" to entertain people around the country and as a result make our state and your constituents appear poorly. With the help of the Montana Film Office and the resources located here in Montana the opportunity was there to instead show Montana as its best.

Without HB 120 all of that goes away.

If the goal is keep people (and money) away from Montana, then efforts to killing funding for video and film production might be fine. But if the goal is to pull money into the state and keep it in Montana's economy for its residents to enjoy then efforts to kill HB 120 are not good. Without a

vibrant film and video community in Montana and a strong film office Montana will not look its best for those who are looking for ways to spend their travel and tourism dollars. If HB 120 dies, so too will a big chunk of Montana's economy.

Already the Montana Office of Tourism and its chief ad agency is buying photography from photographers outside of the state. What's more, that same ad agency farms much of its production and ad work to people working outside of Montana too, despite the millions the state allocates to them to promote the state. HB 120 helps keep Montana tax dollars in Montana and provides a grassroots way to promote Montana (e.g. a wise investment) via a medium that is increasing in usage and consumption by consumers.

Killing HB 120 might make sense if legislature is trying to promote travel to a place like New Jersey where maybe one might want the place to look out of focus. But Montana? Montana BEGS to be filmed and photographed and captured visually. Killing HB 120 is NOT the best way to sell Montana.

According to the United States Department of Labor, Montana has fewer photographers and videographers than ANY state in the country except Alaska. We also have fewer professional photographers and videographers per square mile than any state except Alaska. And dollars spent per capita on tourism ranks very near the bottom compared to the rest of the country.

I can understand why a state with nothing to show might not spend much, but we are arguably the most beautiful and interesting state in the country! Montana needs to ENGAGE people. Montana is, after all, a destination. And investing in Montana film and video production creates tools to market the state on the big screen (movies), small screen (TV), and even smaller screens (computers, tablets, and smart phones). Instead of spending fewer dollars on video and film production we should be spending MORE. We should be strapping cameras on to whitewater rafters near the Lolo Pass. Strapping cameras onto the chest of a bull riders at the rodeo in Belt. Strapping cameras onto someone climbing rocks at Lost Lake. Strapping cameras onto the end of the fishing line as someone casts it into the river near Craig. Make those who live outside of Montana FEEL like they are there. Make them wish they were here. And make them miss Montana when then turn off their computer or smartphone at night.

Video, after all, is the ONE segment of the Internet that continues to increase in usage. The consumption of photos, blogs, email, telephone, podcasts, graphics, news, etc. etc. etc. are all down as a result. And there are those who want to invest LESS in video and film?

That's the exact opposite thing we should be doing.

If you are proud of your state and you want to invest in its economy so it continues to prosper then you will, in my sincere and honest opinion, vote in favor of HB 120.

Thank you very much for your time and attention to this matter.

Yours truly,

Todd Klassy
Todd Klassy Photography
1324 5th Street
Havre, MT 59501
Phone: 406.282.1718
Website: <http://www.toddklassy.com>

MEG O'LEARY
DIRECTOR



STEVE BULLOCK
GOVERNOR

January 28, 2015

Representative Nancy Ballance
Chair, House Appropriations Committee
State Capitol
Helena, MT 59601

Madam Chair:

As Director of the Montana Department of Commerce, I am dedicated every day in my focus on creating, supporting and retaining jobs for all Montanans.

As you know, yesterday HB 120, a Montana jobs bill, was re-referred to your committee to address a statutory appropriation within its text.

It's wholly appropriate this bill be referred to the members of your committee, but I am concerned that an extended process of approval will damage the currently halted Montana film industry. The film credits within this bill are vital to attracting projects to Montana that both spend money in our communities and hire Montanans.

The appropriation in question regards funds to oversee the credit within the Department of Revenue (DOR). The DOR does require these funds to execute the credit; however, they are a nominal amount, in the neighborhood of \$3,000. Both the Department of Revenue and the Department of Commerce were aware of these funds when the bill was constructed and then passed through the Taxation Committee, 17-3.

During the hearing, discussion focused on the millions of dollars in revenue and the positive fiscal impact the "Big Sky on the Big Screen Act" has and will have on the State of Montana. These positive impacts stand with the currently requested appropriations and show that this program, as one of Montana's most effective tax credits, can effectively utilize Montana's revenue.

The oversight on statutory appropriations is important to ensure that Montana's budget is effectively utilized to serve the people of Montana. We believe programs as effective and proven as the "Big Sky on the Big Screen Act" deserve to continue through the legislative process. I strongly feel it deserves consideration, especially since the appropriations within HB 120 are small, and have been included within both the Governor's budget and Montana's current revenue estimates.

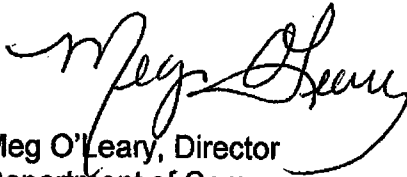


Montana's film communities and the Montana citizens who depend on these productions doing business within our State need HB 120 to continue.

My staff and I stand ready to assist the progress of HB 120 in any way we can.

I would be more than happy to meet with you at your convenience so we can discuss any concerns you and/or your committee members might have about this program or HB120.

Sincerely,

A handwritten signature in cursive script, appearing to read "Meg O'Leary".

Meg O'Leary, Director
Department of Commerce

RE: Big Sky on the Big Screen Act HB 120 Testimony

Dear Representatives:

My name is **Scott Duthie** and I am the founder and CEO of **Angry Monkey Entertainment** (*a motion picture production, money management, technology, marketing, and distribution company*) with offices in Montana, Los Angeles, Nashville, and Beijing. I am also a Movie and Television Producer as well as current Montana Ambassador for China Go Abroad, and member of the Montana World Affairs Council.

Having worked exclusively in the Motion Picture and Television industry for over 25 years, it has been my sole income to provide for my family and hundreds of families who make a living in the entertainment production profession.

In the last 6 years, state incentives have become the single priority factor in determining where motion pictures are made and where the money will be spent. I not only rely on the service-end of the industry, but I single-handedly determine where to film a movie and where to spend the money. I have produced 6 independent movies in the last eight years with expenditure budgets ranging from \$3 million to \$17 million and a \$42.5 million dollar motion picture production studio.

The residual effect of the local economic impact is hundreds of jobs on each project in conjunction with hundreds of service providers ranging from extras, to catering, lumber, teachers, accountants, dry cleaners, construction, livestock, printing, airlines, hotels, and equipment rentals. The long term gross impressions for a single film project will reach into the hundreds of millions of viewers who will see your production and may be strongly influenced to visit your state.

As you probably know, Montana tourism hit almost \$4 billion dollars in 2014. Many of these new tourists have been coming from China. There are many entertainment organizations, myself included, that have been traveling to China for years and promoting tourism in Montana. We are in the middle of several co-production deals between Montana and China with hundreds of potential production jobs that hinge exclusively on this incentive passing. The Rocky Mountain Ballet Theatre in Missoula has been touring in Beijing, Guilin, Shanghai, and Montana's sister state, GuangXi and at the world Expo facilitated by Ambassador Baucus and Ambassador Zhou.

Their productions display beautiful moving video images of Montana as a backdrop to their productions. We are currently in discussions for television specials and studio construction in Missoula to build better facilities, build a training infrastructure for this growing job market, as well as educational facility with the University of Montana. Most people are under a misconception of the entertainment industry with tabloid magazines and reality shows and do not realize the cultural significance.

The fact is that it is a nationwide economic engine that brings new jobs and opportunities. The movie industry alone supports 1.9 million workers in the United States and contributes \$38 Billion dollars to over 333,000 businesses in a given year, along with close to \$16 billion annually to federal and state tax budgets.

The current Montana Film Commission has been the ONLY administration, in the last twenty-five years, to aggressively target the hundreds of millions of direct-spend dollars and they absolutely need your support. This past summer marks the first time I was able to financially justify a production in Montana and the ONLY reason was the competitive push of the film commission coupled with the incentive.

Every project I have produced since 2002, I have tried to find a financial reason to shoot in Montana and was not able to justify the expenditure and therefore was forced to travel to a different state or country, which provided better incentives and gladly took my investor's money. I have budgets to control and justify, just as you do and at the end of the day, after all - it is a business.

Make no mistake, without the passing of this Bill; many Montanans will lose their livelihood and this state will easily lose hundreds of millions in revenue over the next few years.

Please do the right thing and pass this Bill.

Respectfully,

Scott Duthie, *Producer*

Angry Monkey Entertainment
Boulder, MT
(310) 407-9980

Dear Committtee,

I would encourage you to vote **FOR the Big Sky on the Big Screen Act**.

This isn't a bill to give tax breaks to rich out-of-state movie producers. It is a bill that will propel the development of the film industry in Montana, and benefit us all, economically.

I am personally involved in two projects currently. We are in the development phase of producing the story of John Colter. This is a \$60 Million film. The other is a 6 part series on the "Two Spirit" Native Americans.

Both of these projects should be done in Montana. However, as the current landscape is set, these projects will likely be done in New Mexico or Alberta, because of the favorable tax treatment given to film projects there.

As we debate this issue, Leonardo DeCaprio is filming "The Reverant" in the Calgary area. This mountain man movie could have been **Made In Montana** if we had created favorable opportunities for the producers to locate the project here!

We need more "A River Runs Through It", or "Horse Whisperer" movies to build our economy, and the scenic reputation of this great State. Filming in Montana means immediate economic success, with long term tourism benefits.

Please do your part to make sure MONTANA is a viable choice, for movie decision makers. **Vote FOR the Big Sky on the Big Screen Act.**

Sincerely,



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